

1 in 1984 and subsequent years. Rate increases shall be
2 provided annually thereafter on July 1 in 1984 and on each
3 subsequent July 1 in the following years, except that no rate
4 increase and no update for inflation shall be provided on or
5 after July 1, 1994 and before July 1, 2001, unless
6 specifically provided for in this Section.

7 For facilities licensed by the Department of Public
8 Health under the Nursing Home Care Act as Intermediate Care
9 for the Developmentally Disabled facilities or Long Term Care
10 for Under Age 22 facilities, the rates taking effect on July
11 1, 1998 shall include an increase of 3%. For facilities
12 licensed by the Department of Public Health under the Nursing
13 Home Care Act as Skilled Nursing facilities or Intermediate
14 Care facilities, the rates taking effect on July 1, 1998
15 shall include an increase of 3% plus \$1.10 per resident-day,
16 as defined by the Department.

17 For facilities licensed by the Department of Public
18 Health under the Nursing Home Care Act as Intermediate Care
19 for the Developmentally Disabled facilities or Long Term Care
20 for Under Age 22 facilities, the rates taking effect on July
21 1, 1999 shall include an increase of 1.6% plus \$3.00 per
22 resident-day, as defined by the Department. For facilities
23 licensed by the Department of Public Health under the Nursing
24 Home Care Act as Skilled Nursing facilities or Intermediate
25 Care facilities, the rates taking effect on July 1, 1999
26 shall include an increase of 1.6% and, for services provided
27 on or after October 1, 1999, shall be increased by \$4.00 per
28 resident-day, as defined by the Department.

29 For facilities licensed by the Department of Public
30 Health under the Nursing Home Care Act as Intermediate Care
31 for the Developmentally Disabled facilities or Long Term Care
32 for Under Age 22 facilities, the rates taking effect on July
33 1, 2000 shall include an increase of 2.5% per resident-day,
34 as defined by the Department. For facilities licensed by the

1 Department of Public Health under the Nursing Home Care Act
2 as Skilled Nursing facilities or Intermediate Care
3 facilities, the rates taking effect on July 1, 2000 shall
4 include an increase of 2.5% per resident-day, as defined by
5 the Department.

6 For facilities licensed by the Department of Public
7 Health under the Nursing Home Care Act as skilled nursing
8 facilities or intermediate care facilities, the rates taking
9 effect on July 1, 2001 and each subsequent July 1 shall be
10 computed using the most recent cost reports filed with the
11 Department of Public Aid no later than April 1 of the prior
12 year. For rates effective July 1, 2001 only, rates shall be
13 the greater of the rate computed for July 1, 2001 or the rate
14 effective on June 30, 2001.

15 For facilities licensed by the Department of Public
16 Health under the Nursing Home Care Act as skilled nursing
17 facilities or intermediate care facilities, a new payment
18 methodology must be implemented for the nursing component of
19 the rate effective January 1, 2002. The Department of Public
20 Aid shall develop the new payment methodology using the
21 federal Minimum Data Set (MDS) as the instrument to collect
22 information concerning nursing home resident condition
23 necessary to compute the rate. The new payment methodology
24 must be developed to meet the unique needs of Illinois
25 nursing home residents. Rates based on the new payment
26 methodology must be phased in over a 4-year period using a
27 blend of the rate based on the nursing rate payment
28 methodology in effect on December 31, 2001 and the new
29 payment methodology effective January 1, 2002 as follows:

30 (A) For rates effective January 1, 2002 through
31 December 31, 2002, the nursing component of the rate must
32 be comprised of a blend of 75% of the rate based on the
33 payment methodology in effect on December 31, 2001 and
34 25% of the rate in effect on January 1, 2002.

1 (B) For rates effective January 1, 2003 through
2 December 31, 2003, the nursing component of the rate must
3 be comprised of a blend of 50% of the rate based on the
4 payment methodology in effect on December 31, 2001 and
5 50% of the rate in effect on January 1, 2002.

6 (C) For rates effective January 1, 2004 through
7 December 31, 2004, the nursing component of the rate must
8 be comprised of a blend of 25% of the rate based on the
9 payment methodology in effect on December 31, 2001 and
10 75% of the rate in effect on January 1, 2002.

11 (D) For rates effective January 1, 2005 and
12 thereafter, the nursing component of the rate must be
13 comprised of 100% of the rate based on the payment
14 methodology in effect on January 1, 2002.

15 Rates established effective each July 1 shall govern
16 payment for services rendered throughout that fiscal year,
17 except that rates established on July 1, 1996 shall be
18 increased by 6.8% for services provided on or after January
19 1, 1997. Such rates will be based upon the rates calculated
20 for the year beginning July 1, 1990, and for subsequent years
21 thereafter shall be based on the facility cost reports for
22 the facility fiscal year ending at any point in time during
23 the previous calendar year, updated to the midpoint of the
24 rate year, except that rates effective July 1, 2001 and
25 thereafter shall be updated for inflation to January 1 of the
26 current calendar year. The cost report shall be on file with
27 the Department no later than April 1 of the current rate
28 year. Should the cost report not be on file by April 1, the
29 Department shall base the rate on the latest cost report
30 filed by each skilled care facility and intermediate care
31 facility, updated to the midpoint of the current rate year.
32 In determining rates for services rendered on and after July
33 1, 1985, fixed time shall not be computed at less than zero.
34 The Department shall not make any alterations of regulations

1 which would reduce any component of the Medicaid rate to a
2 level below what that component would have been utilizing in
3 the rate effective on July 1, 1984.

4 (2) Shall take into account the actual costs incurred by
5 facilities in providing services for recipients of skilled
6 nursing and intermediate care services under the medical
7 assistance program.

8 (3) Shall take into account the medical and
9 psycho-social characteristics and needs of the patients.

10 (4) Shall take into account the actual costs incurred by
11 facilities in meeting licensing and certification standards
12 imposed and prescribed by the State of Illinois, any of its
13 political subdivisions or municipalities and by the U.S.
14 Department of Health and Human Services pursuant to Title XIX
15 of the Social Security Act.

16 The Department of Public Aid shall develop precise
17 standards for payments to reimburse nursing facilities for
18 any utilization of appropriate rehabilitative personnel for
19 the provision of rehabilitative services which is authorized
20 by federal regulations, including reimbursement for services
21 provided by qualified therapists or qualified assistants, and
22 which is in accordance with accepted professional practices.
23 Reimbursement also may be made for utilization of other
24 supportive personnel under appropriate supervision.

25 (Source: P.A. 90-9, eff. 7-1-97; 90-588, eff. 7-1-98; 91-24,
26 eff. 7-1-99; 91-712, eff. 7-1-00.)

27 Section 99. Effective date. This Act takes effect upon
28 becoming law."